

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1951 – HB 1992

February 10, 2014

SUMMARY OF ORIGINAL BILL: Authorizes undocumented aliens who meet certain requirements to receive in-state tuition at Tennessee Board of Regents (TBR) and University of Tennessee (UT) institutions. The bill will be effective beginning in the 2014-2015 academic year.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Net Impact –
\$130,000/FY14-15/Higher Education Institutions
\$137,800/FY15-16/Higher Education Institutions
Exceeds \$146,100/FY16-17 and Subsequent Fiscal Years/Higher
Education Institutions

SUMMARY OF AMENDMENT (012386): Makes a technical correction to correct a typographical error.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- With a six percent increase in tuition, the average difference in FY14-15 between in-state and out-of-state tuition is estimated to be \$16,268 at a TBR university and \$11,620 at a community college.
- TBR estimates that there are two undocumented alien students currently enrolled within the TBR system; one at a university and one at a community college.
- UT estimates that current students would not be impacted by this bill.
- In FY14-15, the decrease in state revenue is estimated to be \$27,888 (\$16,268 + \$11,620).

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- TBR estimates that an additional 22 students will enroll at a TBR institution; 11 at a TBR university and 11 at a community college.
- UT estimates that an additional six students will enroll at a UT institution.
- With a six percent increase in tuition, in-state tuition in FY14-15 is estimated to be \$6,655 at a TBR university; \$3,714 at a community college; and \$7,303 at a UT institution.
- In FY14-15, the increase in state revenue for TBR is estimated to be \$114,059 $[(11 \times \$6,655) + (11 \times \$3,714)]$.
- In FY14-15, the increase in state revenue for UT is estimated to be \$43,818 $(\$7,303 \times 6)$.
- In FY14-15, the net increase in state revenue is estimated to be \$129,989 $[(\$114,059 + \$43,818) - \$27,888]$.
- With a six percent increase in tuition, the net increase in state revenue in FY15-16 is estimated to be \$137,788 $(\$129,989 \times 106\%)$.
- In FY16-17 and subsequent fiscal years, the recurring net increase in state revenue is estimated to exceed \$146,055 $(\$137,788 \times 106\%)$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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